



NEWS RELEASE

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FOR IMMEDIATE RELEASE

FORMER JOPLIN ATTORNEY PLEADS GUILTY TO DEFRAUDING CLIENTS OF APPROXIMATELY \$512,000

KANSAS CITY, Mo. – Todd P. Graves, United States Attorney for the Western District of Missouri, announced that a former Joplin, Mo., attorney pleaded guilty in federal court today to defrauding his clients of approximately \$512,000.

David Leon Taylor, 49, of Joplin, pleaded guilty before U.S. District Judge Ortrie D. Smith this morning to mail fraud, wire fraud and engaging in an illegal monetary transaction that involved the proceeds of a criminal transaction. **Taylor** was an attorney and sole shareholder in the Joplin law firm of Myers, Taylor, and Whitworth, P.C., until he was disbarred in 2003.

Myers, Taylor, and Whitworth maintained a trust account at Webb City Bank in Webb City, Mo., Graves explained, which contained funds received by the law firm from various clients to be held in trust until the funds were disbursed to the particular clients who were entitled to receive the funds.

By pleading guilty, **Taylor** admitted that he illegally transferred more than \$316,610 from the trust fund to the law firm's operating accounts at other banks.

Reliable Automotive Fraud Scheme

As part of the scheme, **Taylor** took more than \$316,610 in proceeds from the sale of a Joplin automotive dealership, meant to be held in trust, and converted them to his own use, from Feb. 1, 2001, through July 2001.

John Buxbaum was the owner of Continental Auto Mall in Joplin from 1995 to 1999. The dealership included franchises to sell Chrysler, Volkswagen, Hyundai, Porsche and Toyota automobiles. Buxbaum agreed to sell Continental Auto Mall to Mark Hendren, a Joplin automobile dealer, in 1999, and **Taylor** represented Buxbaum. When Porsche refused to approve

the transfer of its franchise to Hendren, Buxbaum agreed to stay on and manage the Porsche franchise for Hendren until a buyer for the Porsche franchise could be found.

In February 2001, according to the indictment, Reliable Automotive, Inc., of Springfield, Mo., agreed to purchase the Porsche dealership for a total of \$316,610. On Feb. 8, 2001, Reliable Automotive deposited \$50,000 into the Myers, Taylor, and Whitworth trust account as a down payment on the purchase of the franchise.

The indictment alleges that **Taylor** wrote three checks totaling \$26,900 that month, drawn on the trust account and deposited into the operating account at Webb City Bank.

On May 1, 2001, the closing on the sale of the Porsche franchise to Reliable Automotive occurred at **Taylor's** Joplin law office. Reliable Automotive agreed to pay the remaining balance of \$266,610, and a check for that amount was deposited into the trust account.

Taylor admitted that between May 4 and May 16, 2001, he transferred approximately \$155,000 from the trust account to the firm's operating accounts at Webb City Bank and Firststar Bank in Joplin.

Taylor later used a business dispute between Hendren and Buxbaum as an excuse to delay remitting the trust account funds, and to lull Hendren into believing that the money was still in the trust account but that **Taylor** had a legitimate reason for not remitting the proceeds of the sale.

Taylor transferred \$25,934 from the trust account to the law firm's Firststar Bank operating account on May 29, 2001, where it was used to satisfy a loan on a 1999 Lincoln Navigator purchased by **Taylor**.

On July 17, 2001, Buxbaum – who by then was living in Westlake Village, Calif. – demanded that **Taylor** place the money received from Reliable Automotive into a market interest bearing account. **Taylor** assured Buxbaum that he would do so, but by this time **Taylor** had already transferred the Reliable proceeds into his law firm's operating accounts, where the money was converted to **Taylor's** benefit.

By pleading guilty, **Taylor** admitted that he mailed a letter to Hendren's attorney in May 2001 for the purpose of executing the scheme to defraud and to obtain money by means of false and fraudulent pretenses. The letter was intended to lull Hendren and his attorney into a false sense of security that the entire amount of proceeds from the Porsche franchise sale was still in the trust account, although **Taylor** had already misappropriated some of the proceeds to his own use.

By pleading guilty, **Taylor** also admitted that he engaged in a monetary transaction on May 29, 2001, that involved the proceeds of a criminal offense – the count of mail fraud in Counts One – when he withdrew \$25,934 from the trust account to satisfy the loan for a 1999 Lincoln Navigator.

Opal Oster Estate Annuities

Taylor also misappropriated \$195,250 from the proceeds of two annuities that were supposed to be used to pay the expenses on an estate and the heirs of an estate.

K. Leon Emery, a Vernon County, Mo., resident, hired **Taylor** in 2001 to set up trust accounts to contain the proceeds from two annuities held by his aunt, Opal L. Oster. **Taylor** set up the trust accounts and Emery, who held power of attorney over Oster's estate, was made executor. Following Oster's death in December 2001, Emery (following **Taylor's** advice) closed out the two annuities totaling \$581,686 – a \$466,636 annuity held through Trustmark Insurance Company and a \$115,050 annuity held through Equitable Life Insurance Company of Iowa.

Emery met with **Taylor** at his Joplin law office on Oct. 29, 2002, and endorsed the Trustmark annuity check, giving it to **Taylor** for deposit in the trust account. **Taylor** gave Emery a \$384,523 check drawn on the trust account, which Emery used to pay off his late aunt's outstanding expenses. **Taylor** also wrote two more checks drawn on the trust account for the remaining balance of the Trustmark annuity for \$40,100 each to Emery and Mona McDowell (Emery's sister), who were entitled to split the proceeds from the annuities under the terms of Oster's will.

Taylor told Emery that he post-dated the checks for tax purposes, when in reality it was only to prevent them from immediately cashing the checks and drawing on the proceeds of the annuity that were supposed to be in the trust account.

On Jan. 14, 2003, **Taylor** received a \$115,050 check for the balance of the Equitable annuity and deposited it in the trust account. On the same day, **Taylor** met with Emery and gave him three checks drawn on the trust account – an \$82,050 check made payable to the Opal L. Oster Trust and two post-dated \$16,600 checks made payable to Emery and McDowell.

Taylor again told Emery that he post-dated the two checks for tax purposes, when in reality it was only to prevent them from immediately cashing the checks and drawing on the proceeds of the annuity that were supposed to be in the trust account.

When Emery tried to deposit one of the checks, it was twice returned for insufficient funds. At that time, **Taylor** assured Emery he would correct the problem, though by this time **Taylor** had misappropriated the proceeds from the annuities by converting them to his own benefit.

By pleading guilty to Count Seven of the indictment, **Taylor** admitted that he had an interstate telephone conversation with Emery, who was in the state of Nevada, via cell phone on March 6, 2003, for the purpose of executing the scheme to defraud and to obtain money by means of false and fraudulent pretenses. In that telephone conversation, the indictment alleges, **Taylor** falsely and fraudulently told Emery not to be concerned that a check written on **Taylor's**

law firm trust account – which was supposed to represent proceeds being held in trust for Emery – was returned for insufficient funds when **Taylor** knew the funds no longer existed in the trust account because he had misappropriated them.

Under federal statutes, Graves explained, Taylor may be subject to a maximum sentence of up to 30 years in federal prison without parole, plus a fine up to \$250,000.

This case is being prosecuted by Assistant U.S. Attorney D. Michael Green. It was investigated by the Federal Bureau of Investigation and the Internal Revenue Service.

This news release, as well as additional information about the office of the United States Attorney for the Western District of Missouri, is available on-line at
www.usdoj.gov/usao/mow